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ARIZONA CORPORATION COMMISSION

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2002 MAY -3 P 2:31

MEMORANDUM

TO: The Commission  
FROM: Ernest G. Johnson  
Director, Utilities Division  
DATE: May 3, 2002  
RE: Slamming and Cramming Rules  
RT-00000J-99-0034

AZ CORP COMMISSION  
DOCUMENT CONTROL  
Arizona Corporation Commission  
DOCKETED

MAY 03 2002

DOCKETED BY	<i>me</i>
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This Memorandum provides explanations for each of the changes to the draft Slamming & Cramming rules proposed in the attached "Staff's Proposed Amendment #1".

(In the proposed order)

- (1) Explanation: Updates the dates of the Open Meeting.
- (2) Explanation: Deletes reference to federal rules. See number 3 below.
- (3) Explanation: Same as #1.

(In Exhibit A to the proposed order)

- (4) Explanation: Staff believes it is not necessary for the rules to be rigidly linked to the federal rules. Federal law allows the states to go beyond the federal rules.
- (5) Explanation: The Federal Slamming Rules provide for records to be retained for 24 months. 47 C.F.R. § 64.1120(a)(1)(ii). Staff recommends amending the draft rules to be consistent in this regard with the federal rules.
- (6) Explanation: The amendment eliminates the term "Letter of Agency check" and adopts the phrase used in the first sentence of the rule.
- (7) Explanation: The additional language recognizes that longer periods of time may be reasonable in some circumstances.
- (8) Explanation: The term "Unauthorized Carrier" is used in the rest of proposed Rule 1907. No substantive change is intended.

- (9) Explanation: A.R.S. § 44-1572.C provides for a period of "ninety days or three billing cycles, which occurs first." The phrase billing cycles is not defined. In practice, billing cycles are not shorter than 90 days except for February billings for companies that base billings on the calendar month. Therefore, the 90 day period would always be shorter than "three billing cycles". The amendment adopts the 90 day period but avoids the use of the undefined term "billing cycles".
- (10) Explanation: Federal rules provide the customer does not have to pay the original Telecommunications Company nor the unauthorized carrier. The change parallels the federal rules in this respect, but adopts the 90 day period from state law.
- (11) Explanation: Change made for consistency, so all records will be retained for 24 months.
- (12) Explanation: Conforms the Arizona rule to the federal rule, which requires the local exchange carrier to accept a three-way conference call for lifting a freeze. 47 C.F.R. 64.1190(e)(2).
- (13) Explanation: Change made for consistency, so all records will be retained for 24 months.
- (14) Explanation: Corrects cross-reference.
- (15) Explanation: See #12 above.
- (16) Explanation: See #12 above.

<b>THIS AMENDMENT:</b>			
Passed	Passed as amended by		
Failed	Not Offered	Withdrawn	

**Staff's Proposed Amendment #1**

TIME/DATE PREPARED: May 3, 2002

MATTER: Slamming and Cramming Rules

AGENDA ITEM NO. U-1

DOCKET NO. RT-00000J-99-0034

OPEN MEETING DATE: May 8, 2002

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(In the proposed order)

- (1) Page 1, line 10 DELETE "November 27 and 28, 2001" and ADD May 8, 2002
- (2) Page 2, lines 14-15 DELETE "and 47 C.F.R. § 1110(a)".
- (3) Page 3, line 12 DELETE "2001" and ADD "May 8, 2002"

(In Exhibit A to the proposed order)

- (4) Rule 1903: DELETE the final two sentences
- (5) Rule 1904.B: DELETE "12 months" and ADD "24 months".
- (6) Rule 1905.C: In the second sentence, DELETE "Letter of Agency check" and ADD "Letter of Agency when combined with a marketing check". In the third sentence, DELETE "Letter of Agency check" and ADD "Letter of Agency when combined with a marketing check"; and ADD after "a notice" the phrase "in bold-face type".
- (7) Rule 1907.A: DELETE "60 days of" and ADD "a reasonable period of time after" and ADD a second sentence as follows: "Any period of time of 60 days or less shall automatically be presumed to be reasonable, and any period of time longer than 60 days may be reasonable based on the circumstances."
- (8) Rule 1907.C.1: DELETE "the Telecommunications Company failure to confirm" and ADD "the Unauthorized Carrier's failure to confirm"
- (9) Rule 1907.C.2: DELETE "60 days" and ADD "90 days"

- (10) Rule 1907.C.3: DELETE the second sentence and ADD "The original Telecommunications Company may not bill the subscriber for unauthorized service charges during the first 90 days of the Unauthorized Carrier's service but may thereafter bill the Subscriber at the original Telecommunications Companies rates."
- (11) Rule 1907.F. DELETE "12 months" and ADD "24 months".
- (12) Rule 1909.D: ADD at the end of the sentence "except that a local exchange carrier may remove a freeze if authorized by the subscriber in a three-way conference call meeting the requirements of 47 C.F.R. 64.1190(e)(2)."
- (13) Rule 1909.F. DELETE "12 months" and ADD "24 months".
- (14) Rule 2001.F. DELETE "R14-2-2004" and ADD "R14-2-2005"
- (15) Rule 2005.C. DELETE "12 months" and ADD "24 months".
- (16) Rule 2006.A.5 DELETE "12 months" and ADD "24 months".